

1 IN THE UNITED STATES BANKRUPTCY COURT

2 FOR THE SOUTHERN DISTRICT OF TEXAS

3 HOUSTON DIVISION

4 IN RE: § CASE NO. 22-90273-11
5 MINING PROJECT WIND DOWN § HOUSTON, TEXAS
6 HOLDINGS, INC., ET AL, § MONDAY,
DEBTORS. § SEPTEMBER 11, 2023
1:29 P.M. TO 3:01 P.M.

7 **MOTION HEARING (VIA ZOOM)**

8 BEFORE THE HONORABLE MARVIN ISGUR
9 UNITED STATES BANKRUPTCY JUDGE

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12 APPEARANCES: SEE NEXT PAGE

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14
15 **(Recorded via CourtSpeak; No log notes)**
16 **(Issues with the Judge's mic noted.)**

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(Please also see Electronic Appearances.)

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PETER ALLARD
By Mr. Brown

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1 **HOUSTON, TEXAS; MONDAY, SEPTEMBER 11, 2023; 1:29 P.M.**

2 THE COURT: All right, good afternoon. We're here
3 in the Mining Project Wind Down case. It is 22-90273. To
4 appear on that case, if you would please press five star one
5 time on your phone, we'll get your line activated and we'll
6 proceed with the hearing.

7 Mr. Brown, good afternoon.

8 MR. BROWN: Good afternoon, Your Honor. This is
9 Nick Brown appearing on behalf of the Plan Administrator who
10 has filed the objection to claim.

11 THE COURT: Thank you. From a Canadian phone
12 number, 780-983-8159, who do we have on the line?

13 (No audible response.)

14 THE COURT: If you're calling from that number,
15 you may have your own line muted. We have you unmuted in
16 the courtroom.

17 MR. ALLARD: Yes, I did. Good afternoon, Your
18 Honor. Peter Allard here representing True North Data
19 Solutions.

20 THE COURT: Afternoon, Mr. Allard.

21 Ms. (Indiscernible) or someone from her office.

22 MR. LEYH: This is Steve Leyh, Your Honor. I'm
23 here on behalf of the claimant, Bobs Limited.

24 THE COURT: Mr. Leyh, thank you. Good afternoon.
25 All right, how do you want to proceed today?

1 MR. BROWN: Your Honor, this is Nick Brown on
2 behalf of Plan Administrator. Let's see. So we plan on
3 proceeding with the objections and claim. There has been a
4 response filed. There's been a witness and exhibit list
5 filed by both parties.

6 More recently today, after receiving documents and
7 discovery over the course of the weekend, the Plan
8 Administrator filed an amended witness and exhibit list on
9 Docket 1251. And the amended agenda, Your Honor, is at
10 Docket 1252.

11 Maybe I should pause, make sure Mr. Leyh has
12 access here.

13 MR. LEYH: Yes, we do now.

14 MR. BROWN: Okay.

15 THE COURT: Thank you.

16 MR. BROWN: So, Your Honor, so we plan on
17 proceeding here. On behalf of the Plan Administrator, we
18 have brought two witnesses with us. Mr. Allard will
19 introduce himself at the beginning as a non-party witness
20 that is involved factually in the circumstances of this
21 case.

22 Also, Mr. Tribolet, who is here on behalf of the
23 Plan Administrator, Tribolet Advisors, LLC, he is here and
24 prepared to testify as well.

25 THE COURT: Mr. Leyh.

1 MR. LEYH: Good afternoon, Your Honor. Steve Leyh
2 on behalf of Bobs Limited. We have a witness, Michael
3 Merchant, who is here and prepared to testify.

4 THE COURT: All right. And on the offer of
5 exhibits, have you all reached any understanding of what is
6 and is not admissible?

7 MR. BROWN: We have not come to an understanding
8 prior to this hearing, Your Honor.

9 THE COURT: All right. Mr. Leyh, were you aware
10 that there would be a late-filed exhibit list? Is that
11 because of something you (indiscernible) or what's going on
12 with that?

13 MR. LEYH: There was an amended exhibit list filed
14 today, Your Honor. The parties actually didn't get all of
15 the discovery responses, part of which came from non-
16 parties, until I think Thursday and -- or Friday.

17 And then part of my responses we had difficulty
18 with and we didn't get those to Mr. Brown until Saturday.

19 THE COURT: So you're not objecting to the late-
20 filed exhibit -- or you may object to some individual
21 exhibits but you're not going to make a timeliness objection
22 under those circumstances, I assume.

23 MR. LEYH: Correct.

24 THE COURT: Okay. How do you all want to go about
25 figuring what we're admitting and not admitting in terms of

1 exhibits? Are we doing these through witnesses, reach an
2 agreement (indiscernible) --

3 MR. SPEAKER: (Indiscernible).

4 MR. BROWN: My plan was to do it through
5 witnesses.

6 THE COURT: All right. Who's your first witness,
7 Mr. Brown?

8 MR. BROWN: Your Honor, (indiscernible) --

9 MR. LEYH: (Indiscernible) --

10 MR. BROWN: Go ahead.

11 MR. BROWN: My plan was the same, Your Honor.

12 THE COURT: That's fine. Thank you.

13 MR. BROWN: Your Honor, thank you. And I do want
14 to get started by calling our first witness.

15 I do want to bring the Court's attention to a
16 motion in limine that we filed in relation to -- and asking
17 the Court to exclude certain evidence that relates to lost
18 profits.

19 The reason being, Your Honor, this is essentially
20 a breach of contract claim, and the issues arise under the
21 terms of that contract. You'll find the contract at Docket
22 1261-1, the very first exhibit on our list. It's the
23 contract between the claimant, Bobs Limited, and the Debtor,
24 Compute North, LLC.

25 And the basis for asking the Court to exclude

1 evidence about lost profits is that there is a clear
2 limitation of liability clause, clause number 14, of the
3 contract that says there will be no consequential damages,
4 including lost profits, available to the claimant.

5 And so I understand, Your Honor, based on the --
6 or the exhibit list that I've seen submitted by Bobs Limited
7 and the response to our claim objections they do intend or
8 would like to offer into evidence about the earnings that
9 they would have generated from the bitcoin miners that they
10 ordered but never received, including a forecast of earnings
11 and profits that they would have received into the future.

12 And we don't think that that's relevant, Your
13 Honor, based on 14.2 under the contract which says there
14 will be no consequential damages for lost profits.

15 THE COURT: Mr. Leyh.

16 MR. LEYH: Thank you, Your Honor. We received the
17 motion in limine on Friday. We are filing a response to it
18 now.

19 Our contention is that there was originally the
20 contract, Exhibit 1, and then there came to be a breach of
21 the contract. And the contract was terminated by Compute
22 North.

23 There was a subsequent contract which there is no
24 writing for, an oral contract, which we think takes it out
25 of the preview of the restrictions under Section 14 of the

1 contract and then -- if it was still in force.

2 And then there was a second contract after the
3 first two -- or, excuse me, a third contract after the first
4 two, same thing. It's oral, there's no modification
5 language, no writing. And we don't think it's prohibited by
6 the terms of the first contract.

7 So we're opposed to the motion in limine and we
8 think the evidence needs to come in and be considered.

9 THE COURT: All right. Given the lateness of the
10 filing of the motion in limine, I will take the evidence
11 (indiscernible) I will consider in making a final decision
12 when we have the other evidence (indiscernible), so I'll
13 just take all of that under advisement. But I'm not going
14 to not allow the evidence to be offered and heard; whether
15 it ever gets considered is a different question.

16 Let's move ahead.

17 MR. BROWN: Thank you, Your Honor. The Plan
18 Administrator would like to call as its first witness
19 Mr. Peter Allard.

20 THE COURT: Thank you. Mr. Allard, would you
21 raise your hand, please, sir?

22 PETER ALLARD, TRIBOLET ADVISORS, LLC'S WITNESS, SWORN

23 THE COURT: Thank you, Mr. Allard. You can put
24 your hand down and you'll be asked questions by both
25 parties.

1 MR. BROWN: Good afternoon, Mr. Allard. Thank you
2 for being here today. Can you hear me okay?

3 THE WITNESS: Yes, I can.

4 MR. BROWN: Okay, thanks. Once again for the
5 record, my name is Nick Brown, appearing here as counsel for
6 the Plan Administrator in the Mining Project Wind Down
7 Holdings, Inc. bankruptcy case.

8 DIRECT EXAMINATION

9 BY MR. BROWN:

10 Q And, Mr. Allard, did you receive a subpoena to appear
11 at this hearing today?

12 A Yes, I did.

13 Q Okay. What is your full name, please?

14 A Peter Allard.

15 Q Are you affiliated with true -- a company called True
16 North Data Solutions, U.S., Incorporated?

17 A Yes, I am.

18 Q What is your position with that company?

19 A I'm the president of True North.

20 Q Where is True North Data Solutions, U.S., Incorporated
21 located?

22 A Austin, Texas.

23 Q Can you generally describe for the Court what it is
24 that your company, True North, does (indiscernible)
25 operation?

1 A True North Data Solutions, U.S., Inc. is a
2 U.S.-domiciled entity that specifically engages in the sale
3 of high performance computer servers, including bitcoin
4 miners.

5 Q Are you familiar with the company Compute North, LLC?

6 A Yes, I am.

7 Q How are you familiar with that company?

8 A True North, previous to our equipment purchase
9 agreement in question, had relationships with some of the
10 senior executives at Compute North and have been industry
11 friends for some time.

12 Q Has True North engaged in business with Compute North,
13 LLC?

14 A Yes, we have.

15 Q Okay. I'd like to turn -- Mr. Allard, do you have
16 access to the Plan Administrator's exhibits?

17 A Yes, I do.

18 Q Okay. I'd like for you to turn your attention to what
19 has been marked Exhibit Number 3, which is a purchase
20 agreement.

21 A Okay.

22 MR. BROWN: And let me pause just to make sure.
23 Does Your Honor have access to Exhibit 3 as well?

24 THE COURT: I do. I'm (indiscernible) on the
25 screen so that we're all looking at it at the same time as

1 well.

2 MR. BROWN: Okay. Let me pause for a second, make
3 sure I can do that here. All right, thank you, Your Honor.
4 So you have that up on the screen; is that right?

5 THE COURT: I do, yes.

6 MR. BROWN: Okay, thank you.

7 BY MR. BROWN:

8 Q All right, Mr. Allard, can you tell me what this
9 document is?

10 A It's an equipment purchase agreement between True North
11 Data Solutions, U.S., Inc. and Compute North, LLC.

12 Q All right. And so what is this agreement memorializing
13 here? Looks like someone was purchasing bitcoin miners from
14 your company; is that right?

15 A That is correct. Compute North was purchasing bitcoin
16 mining servers from our company.

17 Q And there were about 600 miners purchased under the
18 terms of this agreement; is that right?

19 A Yes, that is accurate.

20 Q And the purchase price, I can find that under clause
21 one of this agreement on the first page; is that right?

22 A Yes, that is accurate.

23 MR. BROWN: Your Honor, at this time I'd like to
24 offer Exhibit 3 into evidence.

25 THE COURT: Any objection?

1 MR. LEYH: No objection.

2 (Plan Administrator Exhibit Number 3 was received in
3 evidence.)

4 BY MR. BROWN:

5 Q Now, the purchase price is on clause one. And if I
6 understand it, the total amount of the purchase price,
7 according to this document, is \$2,460,000; is that right?

8 A Yes, that is correct.

9 Q And it looks like there is an 80 percent deposit due
10 shortly after this agreement was entered into and then the
11 20 percent balance was due at a later date; is that right?

12 A Yes, that is correct.

13 Q Okay. I'd like to turn your attention to a new
14 exhibit. It's Exhibit Number 5, Mr. Allard. Please let me
15 know once you have it up.

16 A Yes, I can see that.

17 Q Is this an invoice that True North sent to Compute
18 North in connection with the agreement that we were just
19 talking about?

20 A Yes, it is.

21 MR. BROWN: Your Honor, I'd like to offer Exhibit
22 Number 5 into evidence.

23 THE COURT: Any objection?

24 MR. LEYH: No objection.

25 THE COURT: 5's admitted.

1 (Plan Administrator's Exhibit Number 5 was received in
2 evidence.)

3 MR. BROWN: Thank you.

4 BY MR. BROWN:

5 Q Mr. Allard, according to this exhibit -- excuse me,
6 this invoice, if I'm reading it correctly, did True North
7 receive a payment of \$1,968,000?

8 A To the best of my knowledge, yes, we did.

9 Q Is that your understanding -- is that what this invoice
10 is showing, based on your understanding?

11 A Yes, it is.

12 Q And does that correspond to the 80 percent deposit for
13 the 600 miners that we were just talking about?

14 MR. LEYH: Objection, leading.

15 THE COURT: Sustained.

16 BY MR. BROWN:

17 Q Mr. Allard, what is this \$1.968 million payment for?

18 A To the best of my knowledge it would be an 80 percent
19 payment per the terms of conditions for 600 MV7 Miners, plus
20 a price increase of 15 percent.

21 Q Was the 15 percent price increase included in the
22 original purchase agreement?

23 A No, it was not.

24 Q Can you explain to the Court how that price increase
25 came about?

1 A The 15 percent price increase came about by way of the
2 manufacturer of the equipment.

3 MR. LEYH: Objection, hearsay.

4 THE COURT: I'm going to let you lay a foundation,
5 Mr. Brown, and see if it's hearsay or not. I don't know if
6 it is.

7 BY MR. BROWN:

8 Q Well, so, Mr. Allard, let me ask you a few more
9 questions about this 15 percent price increase. Is the
10 price increase here something that True North charged
11 Compute North?

12 A Yes, it is.

13 Q And so was True North charging Compute North an
14 additional 15 percent on the original purchase price?

15 A Yes, that is correct.

16 Q Okay. And so if I'm understanding this invoice, there
17 was a remaining amount due after the deposit of \$861,000; is
18 that right?

19 A Without pulling my calculator up, yes, that appears to
20 be correct.

21 Q All right. Mr. Allard, I'd like to turn your -- excuse
22 me. Did you have correspondence with Compute North in
23 connection with the 15 percent price increase?

24 A Yes, we did.

25 Q Do you recall the specifics about that correspondence

1 with Compute North?

2 A Yeah. To the best of my recollection, when the price
3 increase was communicated from the manufacturer to True
4 North, we then communicated --

5 MR. LEYH: Objection, hearsay.

6 THE COURT: Overruled.

7 Go ahead, you can answer.

8 BY MR. BROWN:

9 A The information was received from the manufacturer by
10 True North. We then communicated, passed through the
11 communication and requested price increase to all of our
12 clients, including Compute North, and extended the offer to
13 either make the payment and continue with the purchase order
14 or to terminate the purchase order and request a refund.

15 Q All right. What sort of a response generally did you
16 get from your customers when they -- when you told them that
17 you were charging them an additional 15 percent?

18 A Generally a very disappointed response. Some clients
19 elected to pay the price increase, some did not. And for
20 those clients, they were fully refunded.

21 Q I'd like to turn your attention to what has been marked
22 Plan Administrator Exhibit Number 8; could you let me know
23 once you have that up?

24 (Pause)

25 MR. LEYH: Hello, Steve Leyh here. Have we lost

1 the audio?

2 THE COURT: I can hear you.

3 MR. BROWN: I don't -- I believe we're waiting.

4 BY MR. BROWN:

5 Q Mr. Allard, do you have Exhibit Number 8 up?

6 A Oh, pardon me, yes, I do.

7 Q Thank you. Mr. Allard, could you take a minute to look
8 through this exhibit which is an email chain between you and
9 representatives of Compute North?

10 A Yes, I have it up and am familiar with it.

11 Q All right. Is this an example of what you were just
12 talking about where you informed a customer that you are
13 increasing a purchase price for these bitcoin miners by 15
14 percent and their response to that notice?

15 A Yes, it is.

16 Q Now, for Compute North specifically, and in connection
17 with this order for 600 miners that Compute North ordered
18 through your company, did Compute North agree to the 15
19 percent increase?

20 A Yes, they did for the 600 units.

21 Q Okay. Were there -- was there an additional order for
22 additional units where Compute North did not agree to the 15
23 percent increase?

24 A Yes, there was.

25 Q And I'm looking at the bottom of the first page which

1 is an email from a representative of Compute North to you.

2 Can you tell me what is being discussed in that particular
3 email?

4 A In this email of the clients that Compute North would
5 have had they passed through this information. To my
6 knowledge, the clients that made up the 600-unit order
7 agreed to pay the price increase. One of the clients making
8 up the 250-unit order did not agree to the price increase
9 and requested a refund.

10 Q Do you know who the clients of Compute North were that
11 made up these 600 units?

12 A To my knowledge there were two, of which one of them
13 was Bobs Limited.

14 Q And how many of those 600 units were for Bobs Limited?

15 A To my knowledge 300 of those units were intended for
16 Bobs Limited.

17 MR. BROWN: Your Honor, I'd like to offer into
18 evidence Exhibit 8.

19 THE COURT: Any objection?

20 MR. LEYH: No, sir.

21 THE COURT: Exhibit 8 is admitted.

22 (Plan Administrator Exhibit Number 8 was received in
23 evidence.)

24 BY MR. BROWN:

25 Q Mr. Allard, you just referenced that there was an order

1 that Compute North placed with your company for 250 miners,
2 correct?

3 A Yes, that's correct.

4 Q I'd like to turn your attention to what has been marked
5 Plan Administrator Exhibit Number 15; do you have that up?

6 A Yes, I can see that.

7 Q Is this the purchase agreement that memorializes that
8 order from Compute North for 250 miners?

9 A Yes, it is.

10 MR. BROWN: Your Honor, I'd like to offer Exhibit
11 15 into evidence, please.

12 MR. LEYH: Objection, relevance, not our order.

13 MR. BROWN: I can come back to this, Your Honor.

14 THE COURT: Well, what's the relevance?

15 MR. BROWN: Well, okay, the relevance is that what
16 we are -- what I'm about to show is that there was a deposit
17 paid on this order that I'm asking Mr. Allard about that was
18 ultimately applied to the purchase price for the 600 miners
19 that are all very relevant to this hearing.

20 THE COURT: I'm going to overrule the relevance
21 objection.

22 MR. BROWN: Thank you, Your Honor.

23 THE COURT: 15 is admitted. Go ahead.

24 (Plan Administrator Exhibit Number 15 was received in
25 evidence.)

1 BY MR. BROWN:

2 Q All right, just one question on this Exhibit 15,
3 Mr. Allard. Under section one you'll see purchase price
4 information; is that right?

5 A Yes, that is correct.

6 Q And how much was the deposit on this particular order?

7 A The 80 percent deposit was \$820,000.

8 Q And did Compute North pay True North that \$820,000
9 deposit?

10 A Yes, they did.

11 Q Now what happened with this order; was it ever filled?

12 A No. To the best of my recollection this order was not
13 filled.

14 Q Okay. If I remember correctly you were saying that
15 perhaps this particular client didn't appreciate the 15
16 percent price adjustment and they canceled the order; is
17 that right?

18 MR. LEYH: Objection, leading.

19 THE COURT: Sustained.

20 BY MR. BROWN:

21 Q Mr. Allard, do you recall why this order was not
22 fulfilled?

23 A Yes. The client was unwilling to pay the price
24 increase of 15 percent.

25 Q Did True North offer a refund to Compute North for its

1 deposit?

2 A Yes, we did.

3 Q Was that money ultimately refunded to Compute North?

4 A To the best of my recollection a portion of that refund
5 was applied to fulfill the remaining amount due for the 600-
6 unit order.

7 Q Do you remember what percentage of that deposit money
8 was applied to the 600-unit order?

9 A Apologies, not off the top of my head, no. But it
10 would have been whatever the full balance of what was
11 remaining was.

12 Q I'd like to turn your attention to what has been marked
13 Plan Administrator Exhibit 10. Mr. Allard, who is Heather
14 Boyer?

15 A Heather Boyer is a former employee of True North who
16 had the role of financial control.

17 Q Would Ms. Boyer have been keeping track of things such
18 as the receipts of revenues and the application of funds on
19 purchase orders?

20 A Yes, she would have.

21 Q Okay. If you look at Exhibit 10, the -- it's an email
22 chain. The last email at the bottom is an email from
23 Ms. Boyer to a Compute North representative; do you see
24 that?

25 A Yes, I do.

1 Q Okay. It's dated November 3rd, 2021. Could you read
2 aloud what Ms. Boyer is saying to the Compute North
3 representative?

4 A Yes. Ms. Boyer says:

5 "Hi, Ro. Given the progress on the Minerva units,
6 shipping, it is appropriate to address the balance
7 owing on the account. The payment of 820,000 made
8 on the canceled order was applied to the order for
9 600 units, leaving the balance of 41,000 owing.
10 If you could please have this wire processed,
11 preferably by November 5, that would be
12 appreciated. Thanks kindly, Heather Boyer."

13 Q Thank you.

14 Mr. Allard, does this email help to refresh your memory
15 about how much of that \$820,000 deposit on the canceled
16 order was applied to the 600-unit order?

17 A Yes, it does.

18 Q And do you agree with the substance of this email which
19 says that in fact 820K was applied?

20 A Yes, I do.

21 Q This email also says that there was a balance of
22 \$41,000 owing by Compute North; is that your recollection?

23 A Vaguely but, yes, it is.

24 Q Do you recall if that remaining \$41,000 was paid by
25 Compute North?

1 A I do believe it was, yes. From my recollection there
2 were no monies outstanding from Compute North.

3 Q Okay. So just to be clear, on the 600-unit order that
4 Compute North placed with True North for I forget how much
5 the total purchase price was now, but you're saying
6 basically that Compute North has paid in full the amount it
7 is owed -- or that was owed for the 600 units; is that
8 right?

9 MR. LEYH: Objection, leading.

10 THE COURT: Sustained.

11 BY MR. BROWN:

12 Q Mr. Allard, can you please just confirm is there any
13 amount that Compute North owes to True North for the 600-
14 unit order that was placed back in February, 2021?

15 A No. To the best of my recollection the 600-unit order
16 has been paid in full by Compute North.

17 Q Mr. Allard, the email chain here involves someone named
18 Mr. Ro Shirole; do you see that?

19 A Yes, I do.

20 Q Was that someone that you communicated with in
21 connection with the Compute North (indiscernible)?

22 THE COURT: (Indiscernible), Mr. Allard, take care
23 of your children (indiscernible) let's not worry about it.
24 It's fine. Do you need a break or can we -- you okay now?
25 Are we good?

1 THE WITNESS: I'm okay if you guys are.

2 MR. SPEAKER: We're good.

3 MR. BROWN: Okay.

4 BY MR. BROWN:

5 Q Mr. Allard, could you explain generally to the Court
6 what -- who were your dealings with when you were
7 communicating with Compute North?

8 A Our primary point of contact with True North at that
9 time was Ro Shirole.

10 Q And who on your end was doing most of the communicating
11 with Compute North?

12 A Would have been a combination of myself and Ro, or
13 Heather at that time from a financial perspective of
14 invoicing and other financial communications.

15 MR. BROWN: Your Honor, I'd like to admit -- or
16 like to offer into evidence Exhibit Number 10, please.

17 THE COURT: Mr. Leyh.

18 MR. LEYH: No objection.

19 THE COURT: Ten is admitted.

20 (Plan Administrator Exhibit Number 10 was received in
21 evidence.)

22 BY MR. BROWN:

23 Q Now, Mr. Allard, does True North manufacture these
24 bitcoin miners?

25 A No, we do not.

1 Q So is it the case that True North has to obtain these
2 miners from a third party manufacturer?

3 A Yes, that is correct.

4 Q So regarding these 600 units that Compute North ordered
5 from your company, from whom did True North order the
6 bitcoin miners to fulfill that Compute North order?

7 A Just two companies that we purchased equipment from, or
8 what's known as the Minerva semiconductor brand of
9 equipment. Previous to Minerva incorporating as an entity
10 in Alberta, the equipment was purchased directly from a
11 company called HongKong Kisen Corporation.

12 Minerva Semiconductor Corporation later became the
13 North American facing entity for the Hong Kong Chinese
14 entity for all their manufacturing efforts. So our total
15 orders were split between those two companies.

16 Q After receiving this purchase order for 600 units from
17 Compute North, did True North turn around and place an order
18 with the manufacturer for these units?

19 A Yes, we did.

20 Q Was it for 600 units or did True North order a
21 different quantity?

22 A True North ordered a different quantity.

23 Q And why was that?

24 A True North had additional purchase orders that were
25 combined into a larger purchase order.

1 Q And True North order more than 600 units from the
2 manufacturer, correct?

3 A Yes, that's correct.

4 Q I'd like to turn your attention to Plan Administrator
5 Exhibit Number 16, please. Once you're there, can you tell
6 me what this document is?

7 (Pause)

8 A Yes. This is an equipment purchase agreement between
9 True North Data Solutions U.S., Inc. and Hongkong Kisen
10 Corporation for the purchase of 2,406 miners.

11 Q Were the -- so were the 600 units that Compute North
12 ordered from True North included in these 2,406 miners that
13 you ordered from the manufacturer here?

14 A Yes, they were.

15 Q And I see that this agreement was entered into maybe
16 within a week after the 600-unit order that Compute North
17 placed with your company; is that right?

18 A Yes, it is.

19 Q All right. And this agreement also has under clause
20 one a purchase price showing -- is it right that clause one
21 shows how much True North was responsible for paying the
22 manufacturer for these 2,400 miners?

23 A Yes, that's correct.

24 Q Did True North pay the full purchase price to the
25 manufacturer under this agreement?

1 A Yes, we did.

2 Q And so just so I'm clear, it looks like under clause
3 one, there's a little bit more than \$9 million owing under
4 this particular agreement. Did True North pay over
5 \$9 million to the manufacturer for these 2,406 miners?

6 A Yes, to the best of my recollection the 80 percent has
7 been paid. The majority of the 20 percent has been paid. I
8 believe there was a small sum withheld which was at the time
9 that Minerva stopped delivering any equipment and this
10 matter proceeded to legal action. But the 600 units in
11 question were paid in full.

12 MR. BROWN: Okay, thank you, Mr. Allard. We'll
13 get to the problems with the order fulfillment in a little
14 bit later.

15 Q But let me ask you. After True North entered into this
16 purchase agreement with the manufacturer, did you
17 communicate to Compute North that the miners had in fact
18 been ordered from the manufacturer?

19 A Yes, that likely would have happened on a number of
20 occasions, either by text or by email.

21 Q And did you communicate and make clear to Compute North
22 that True North was not the manufacturer here, that in fact
23 True North would need to rely on a third party manufacturer
24 to fulfill Compute North's order?

25 MR. LEYH: Objection, leading.

1 MR. BROWN: Your Honor, I don't think --

2 THE COURT: I (indiscernible). Answer it,
3 Mr. Allard.

4 MR. LEYH: I'm sorry, Your Honor, I just --

5 THE WITNESS: Yes.

6 MR. LEYH: -- couldn't understand you. What?

7 THE COURT: I didn't think it was leading. I'm
8 overruling the objection.

9 MR. LEYH: Thank you.

10 THE COURT: (Indiscernible), thank you. Go ahead,
11 Mr. Allard, you can answer.

12 BY MR. BROWN:

13 A Yes, it would have been clearly communicated that True
14 North was not the manufacturer and that Minerva and its
15 affiliates were the manufacturer.

16 MR. BROWN: Your Honor, I'd like to offer
17 Exhibit 16 into evidence, please.

18 THE COURT: Any objection?

19 MR. LEYH: No.

20 THE COURT: 16 is admitted.

21 (Plan Administrator Exhibit Number 16 was received in
22 evidence.)

23 BY MR. BROWN:

24 Q Now, Mr. Allard, you just alluded to there being some
25 problems with this order. Could you explain to the Court

1 True North's issues with the manufacturer here in trying to
2 obtain these miners?

3 A Yes. So through the order purchase there were some
4 estimated delivery dates that had been established for
5 purchase orders of equipment. Those dates had come and
6 gone. Minerva and its representatives, both Kisen and its
7 representatives, told us at both times that they're
8 experiencing issues with their semiconductor foundry, the
9 group of the supply chain that's responsible for
10 manufacturing the chips themselves, and that that was the
11 root cause of the source of the delays, as well as some
12 other items which started leading into the pandemic with
13 human resources, shutdowns, and other items.

14 Q When, if you recall, did you begin to realize that the
15 manufacturer was going to have trouble delivering these
16 pieces of equipment to you in a timely manner?

17 A It would have been right around the estimated delivery
18 dates set forth in the contract that we would have been
19 notified for the first time that those were going to be
20 late. And I'd suggest within 30 days of it because that's
21 when the remaining 20 percent payment was due was within
22 30 days of the shipping.

23 Q Could you help me by pointing out under this contract
24 on Exhibit 16 where the estimated delivery date might be
25 shown?

1 A I believe section three speaks to delivery.

2 Q Okay. What was your understanding of the estimated
3 delivery date for these miners?

4 A Section 3.2, seller has an anticipated shipping period
5 of May 15th to June 31st.

6 Q And once True North entered into this agreement with
7 the manufacturer, was this estimated delivery date something
8 that you communicated to Compute North?

9 A Yes. Those shipping dates should have been
10 reciprocated in the equipment purchase agreement between
11 True North and Compute North.

12 Q Now, you also described that the manufacturer was
13 experiencing delays. Did you communicate the manufacturer's
14 delays as they were taking place to Compute North?

15 A Yes, we did.

16 Q Would you say -- well let me -- strike that. Did you
17 try to keep Compute North informed on the status of this
18 order and the incremental delays?

19 A Yes. We would have passed through information as
20 regularly as it was received from the manufacturer and tried
21 our best to maintain good relations and high degree of
22 communication.

23 Q Do you feel that you maintained a high degree of
24 communication with Compute North in connection with their
25 order for 600 units?

1 MR. LEYH: Objection, speculation.

2 MR. BROWN: Your Honor, it's not speculation. I'm
3 asking for his own opinion.

4 THE COURT: Can you all hear me?

5 MR. BROWN: Yes.

6 THE COURT: I suddenly lost everything. Hold on
7 just a moment. The last question I heard was along the
8 lines of do you believe you maintained a high degree of
9 communication with them. I didn't hear the answer to that.

10 MR. LEYH: Mr. Leyh objected on the basis of
11 speculation.

12 THE COURT: It's really relevance. What's the
13 relevance, Mr. Brown?

14 MR. BROWN: Simply to point out, Your Honor, that
15 Compute North was staying informed with how things were
16 transpiring and True North was trying to obtain these miners
17 from the manufacturer.

18 THE COURT: I'll sustain the objection.

19 MR. BROWN: Mr. Allard, --

20 THE COURT: (Indiscernible).

21 MR. BROWN: Thank you, Your Honor.

22 BY MR. BROWN:

23 Q Let's see, Mr. Allard, could you please refer to Plan
24 Administrator Exhibit Number 19? And are you there,
25 Mr. Allard?

1 A Yes, I am.

2 Q Is -- so this is an email from you to Mr. Shirole at
3 Compute North. Is this an example of your keeping Compute
4 North informed on the status of these bitcoin miners and the
5 associated delay?

6 A Yes. This is a fair example of the type of
7 communication we would have been sharing at that time.

8 MR. BROWN: Your Honor, I ask that Exhibit Number
9 19 be admitted into evidence.

10 MR. LEYH: No objection.

11 THE COURT: Nineteen is admitted.

12 (Plan Administrator Exhibit Number 19 was received in
13 evidence.)

14 MR. BROWN: Thank you.

15 BY MR. BROWN:

16 Q Now, Mr. Allard, when True North first entered into
17 this agreement with Compute North to provide it 600 units,
18 do you recall where those units were supposed to be
19 delivered?

20 MR. LEYH: Objection. The contract addresses that
21 is the best evidence.

22 THE COURT: Overruled. You can answer,
23 Mr. Allard.

24 BY MR. BROWN:

25 A If my memory serves me correctly it was Kearney I

1 believe was the name of the town or the county that it was
2 in. I'd have to refer back to the equipment purchase
3 agreement.

4 THE COURT: I'm going to now sustain --

5 MR. BROWN: Do --

6 THE COURT: -- the objection because I think he
7 doesn't really remember. The objection was that
8 (indiscernible) document. And it's one thing if he has a
9 clear memory of it.

10 If it's another -- and you're not supposed to
11 memorize everything, Mr. Allard. I'm fine if you don't
12 particularly remember exactly where something was to be
13 delivered.

14 But I'm going to make Mr. Brown go that extra step
15 to prove it up. So I'll strike that answer.

16 BY MR. BROWN:

17 Q Mr. Allard, I'd like to turn your attention back to an
18 exhibit that we previously covered. It's Exhibit Number 3.
19 It's the contract between Compute North and your company for
20 the 600 units. All right, if you can refer to the delivery
21 clause under the contract.

22 A Yeah, Section 3.

23 Q Does this help to refresh your recollection about where
24 the 600 units were originally to be delivered?

25 A I believe it's just higher than Section 3.5 here. So

1 we have here 3.1, the delivery destination, the equipment to
2 the buyer's facility is 3215 Global Drive Place in Kearney,
3 Nebraska.

4 Q Okay. And is that in fact to your understanding the
5 location for the delivery of the units as they were
6 initially -- when they were initially ordered?

7 A Yes, it is.

8 Q And it says that's to the buyer's facility. Is the
9 buyer here referring to Compute North?

10 A Yes, it is.

11 Q All right. Now, at some point later on was there a
12 change in the delivery instructions for True North?

13 A Yes. There was an agreement between Compute North and
14 the Merchants that this equipment would be delivered to an
15 Alberta facility.

16 Q Can you explain who the Merchants are?

17 A It's my understanding the Merchants are the principals
18 of Bobs Limited.

19 Q What can you tell us about that agreement?

20 A The agreement was for True North Data Solutions to
21 provide a hosting services environment for that equipment.

22 Q Which equipment are you referring to?

23 A The 300 units in question along with some other
24 equipment that was already landed in North America.

25 Q Okay. And you mentioned that in addition to True North

1 providing hosting services for the units, they'd also be
2 delivered to a different address; is that right?

3 A Yes, that is correct.

4 Q Tell me more about that. How was that logistically
5 going to happen?

6 A When the equipment for the Minerva equipment would have
7 been deemed available for shipping from the manufacturer,
8 True North would have revised the shipping address for that
9 equipment to go to its new location.

10 Q And would the new location be a True North facility?

11 A Yes, that is correct.

12 Q And that is in Alberta, Canada, correct?

13 A At that time it was, yes. That has since in agreement
14 changed to a Texas location.

15 Q And is that Texas location also a True North facility?

16 A That is a joint venture facility that True North has an
17 interest in.

18 Q Does Compute North have an interest in that joint
19 venture?

20 A No, they do not.

21 Q So once the units -- excuse me, let me start over,
22 please. Once the location for delivery of the 300 units for
23 Bobs Limited was changed from Compute North's Kearney
24 address to True North's Alberta address, is it true that
25 those units would not be delivered to Compute North but

1 instead would go directly from the manufacturer to True
2 North?

3 A Yes, that is correct.

4 Q I'd like to turn your attention Exhibit 11, please.
5 Mr. Allard, do you recall when the transition -- I'll call
6 it transition or what you're just describing, when it was
7 decided that these units would be delivered directly to True
8 North and True North would provide hosting services; do you
9 remember when that arrangement came about?

10 A If I recall correctly it was the fall of 2021.

11 Q All right. If you look at Exhibit Number 11, it's an
12 email between you, Mr. Shirole from Compute North, and
13 someone named -- someone's email address Matthew at get dot
14 love; do you see that?

15 A Yes, I do.

16 Q Can you tell me does this email chain reflect this new
17 arrangement that you were just describing?

18 A Yes, it does.

19 Q Who is the person with the email address Matthew at get
20 dot love?

21 A To my knowledge that is Mr. Matthew Merchant.

22 Q And please remind me, what is Mr. Matthew Merchant's
23 connection to Bobs Limited, if any?

24 A I don't have visibility on what the formal attachment
25 is but he was a principal of the communication for managing

1 the affairs on behalf of either Bobs or other entities that
2 got engaged in hosting agreements with True North.

3 Q And to your understanding which entity was Mr. Merchant
4 communicating on behalf of in this email chain here?

5 A We came to understand this through Compute North that
6 that is the Bobs Limited entity.

7 Q And your email here at the bottom is asking for
8 confirmation to this new arrangement. And right above that
9 there is the email from Mr. Merchant that appears to be
10 confirming. I don't see a similar email from Compute North.
11 Do you recall receiving confirmation that Compute North had
12 agreed to this change in the arrangement?

13 A I do not, don't recall whether that was approved via
14 text, verbally, or by email.

15 Q Do you recall receiving confirmation at all from
16 Compute North?

17 A Yes, confirmation would have been received from Compute
18 North.

19 Q So this new arrangement, is there a corresponding new
20 contract or other agreement that was written and signed?

21 A As an amendment to the Compute North and Bobs
22 transaction or new agreement between Merchants and True
23 North?

24 Q Either one. Are you aware of any written agreement
25 that was drafted and executed as a result of this change in

1 how these miners were to be delivered and who was to provide
2 hosting services?

3 A Yes, (indiscernible) --

4 MR. LEYH: Objection. He wouldn't have knowledge
5 of what Compute North did necessarily, so calls for
6 speculation.

7 MR. BROWN: Your Honor, I'm only asking for from
8 True North's perspective. True North would have been
9 involved both on the order side with Compute North and on
10 the -- this new transition to working directly with Bobs
11 Limited. So I don't see how Mr. Allard would not have
12 personal knowledge.

13 THE COURT: I'm just going to get you to reword
14 the question and see where we go with the reworded question,
15 Mr. Brown.

16 BY MR. BROWN:

17 Q Mr. Allard, so this new arrangement here as you
18 described has True North providing hosting services for the
19 300 units that are to be delivered to Bobs Limited and
20 delivered to True North's address in Alberta instead of the
21 Kearney address. Was there any written agreement prepared
22 to memorialize those terms?

23 A Yes. There was the hosting agreement struck between
24 True North and a company or entity by the name of Terra
25 International that would include those 300 units to be

1 hosted within the True North facility.

2 Q Okay. Does that agreement -- so is that between True
3 North and another entity, Terra International?

4 A Correct.

5 Q Is Terra International related in any way to Bobs
6 Limited?

7 A Other than through who communicates on behalf of that
8 company, which are the Merchants, I do not know.

9 Q Does that agreement between True North and Terra
10 International specifically reference these 300 miners?

11 A It does reference 300 Minerva miners, yes.

12 Q Does that agreement also talk about where those 300
13 miners are to be delivered?

14 A Yes, it does.

15 Q Is Compute North a party to that agreement?

16 A No, they are not.

17 Q Did True North share the agreement or invite Compute
18 North to participate in negotiations over the agreement with
19 Terra International?

20 MR. LEYH: Objection, calls for speculation.

21 MR. BROWN: Not at all, Your Honor. I asked him
22 if True North communicated with Compute North about this new
23 agreement.

24 THE COURT: Overrule the objection. You can
25 answer, Mr. Allard.

1 BY MR. BROWN:

2 A I don't recall exactly what the communication would or
3 would not have been at that time other than to say, you
4 know, until this day I don't -- didn't see a need to include
5 Compute North in that beyond the email confirmation that it
6 was agreed the equipment would be shipped to an Alberta
7 facility for True North to provide hosting services for.
8 Whether there was a verbal or text communication, I cannot
9 recall at this time. I apologize. I don't remember.

10 Q All right. Now just to be clear, this is in November,
11 2021, none of these 300 miners had been delivered by the
12 manufacturer, correct?

13 A That is correct.

14 Q Could you explain a little bit more about why you felt
15 that Compute North did not need to get involved in this new
16 agreement that True North had with Terra International?

17 THE COURT: What's the relevance of that,
18 Mr. Brown?

19 MR. BROWN: Your Honor, I do not have the -- a
20 copy of this written agreement but I'm just trying to
21 understand Compute North's connection or involvement with
22 the 300 miners in light of this new agreement that True
23 North reached with Terra International.

24 THE COURT: Isn't the only question
25 (indiscernible) here whether Mr. Merchant was speaking for

1 Bobs? Because if he was speaking for Bobs (indiscernible)
2 should go to Terra? That's one thing.

3 If he wasn't speaking for Bobs and was speaking
4 not for Bobs, I don't see how Bobs gets hung with that
5 problem. So isn't the only thing I need to worry about as
6 to the 300 whether Mr. Merchant had authority acting for
7 Bobs on this transaction?

8 MR. BROWN: Certainly, Your Honor, --

9 THE COURT: (Indiscernible).

10 MR. BROWN: -- I agree with you. That is
11 (indiscernible) --

12 THE COURT: (Indiscernible) I don't know why it's
13 relevant other than we got to figure out Mr. Merchant's
14 authority. And I don't know that -- I mean, maybe
15 Mr. Allard knows it. Maybe (indiscernible) know Merchant or
16 (indiscernible) Terra for Bobs, he just knew Merchant was
17 there and (indiscernible) what do you know about
18 Mr. Merchant's legal relationship with Bobs and legal
19 relationship with Terra?

20 THE WITNESS: Is that a --

21 THE COURT: Do you know?

22 THE WITNESS: -- question for me, Your Honor?

23 THE COURT: Yes, sir.

24 THE WITNESS: As far as the legal relationship
25 between Matthew Merchant and either of the entities, Bobs

1 Limited or Terra International, I do not have any visibility
2 with respect to the legal responsibilities. To my
3 knowledge, Mr. Tony Merchant --

4 THE COURT: That's fair. No, that's what I
5 thought you were saying. I just wanted to be sure.

6 How are we going to tie this down, Mr. Brown? I
7 do need to get a full understanding and I don't want to end
8 up guessing. Is that going to come in through Mr. Leyh's
9 witness or do you have a witness that's going to tie down
10 Merchant's authority to act for Bobs?

11 MR. BROWN: We're going to have to get that from
12 Mr. Merchant, Your Honor.

13 MR. SPEAKER: Except --

14 THE COURT: Is he testifying today or --

15 MR. BROWN: Bobs Limited's representative is here
16 and I believe is available as a witness.

17 Your Honor, I also have some contract evidence
18 where Bobs Limited entered into this original order with
19 Compute North and it's signed by Mr. Merchant on behalf of
20 Bobs Limited, so there's that.

21 THE COURT: Okay.

22 MR. BROWN: I guess, Your Honor, I understand your
23 concern here. It's not as big of a concern at least
24 initially for me because I know that there's documentation
25 to support it and witness testimony. But I appreciate your

1 concern at this juncture of the testimony.

2 THE COURT: Okay. I'm -- I just don't want to
3 head off into left field when I'm -- I just -- I
4 (indiscernible) evidence has shown so far. And I know
5 Mr. Leyh has to cross examine him. If there is an email
6 from Mr. Merchant that says deliver them to Alberta, as to
7 whether he was acting for Bobs when he sent that, I can't
8 tell. And Mr. Allard would have to guess I think as to what
9 -- who Mr. Merchant was acting for.

10 So that's why I think a lot of this other stuff
11 may not be terribly relevant; because if Mr. Merchant was
12 acting for Bobs, then it's over as to (indiscernible), I
13 think. But if he wasn't, I also think it's over for
14 (indiscernible), Mr. Leyh, am I missing an issue here?

15 MR. LEYH: No, sir. I think you're dead-on.

16 THE COURT: Mr. Brown, do you think I'm missing an
17 issue?

18 MR. BROWN: If I'm understanding your thinking,
19 Your Honor, I think it's an important issue. I would like
20 to ask Mr. Allard one more question about this email before
21 I move on.

22 THE COURT: Okay. Go ahead.

23 BY MR. BROWN:

24 Q Mr. Allard, let's see, about -- it's -- I would like to
25 refer you to the particular email here that is from

1 Mr. Merchant to you at 2:40 in the morning that begins with,
2 good morning, gents; do you see that?

3 A Yes, I do.

4 Q Okay. The first really -- or the only really paragraph
5 here is about three or four lines from Mr. Merchant to you.
6 It says: "I confirm and acknowledge and agree to the
7 transition of the 300 Minervas to True North."

8 And then this is what I want to highlight. It says:
9 "I confirm that we," and I want to underline for you the
10 word "we," "want the 300 Minervas which we," and I want to
11 again underline the word "we," "ordered through Compute
12 North to be sent directly to True North."

13 So if you know, who do you believe Mr. Merchant was
14 referring to when he used the word "we?"

15 A My understanding is he would be referring to either
16 principals or executives of the entity who purchased the
17 equipment from Compute North, which I understand to be Bobs
18 Limited.

19 MR. BROWN: Your Honor, I'd like to offer
20 Exhibit 11 into evidence.

21 THE COURT: Any objection?

22 MR. LEYH: No objection.

23 THE COURT: Exhibit 11 is admitted.

24 (Plan Administrator Exhibit Number 11 was received in
25 evidence.)

1 (Pause)

2 MR. BROWN: All right, Your Honor, one minute
3 here, I'm sorry.

4 BY MR. BROWN:

5 Q Now, Mr. Allard, that was in November, 2021 when the
6 transition occurred. Do you recall if any of those 300
7 miners that were earmarked for Bobs Limited or Terra
8 International had been delivered by the manufacturer by
9 December 2021?

10 MR. LEYH: I'm sorry, Mr. Brown, I didn't
11 understand what -- part of what you said. Could you repeat
12 that, please? Sorry.

13 MR. BROWN: Yeah. Okay.

14 BY MR. BROWN:

15 Q Following the transition confirmation in November,
16 2021, Mr. Allard, do you recall if by the time of December,
17 2021 any of the miners there were -- that were earmarked for
18 Bobs Limited or Terra International, any of those 300 units
19 had been delivered by the manufacturer?

20 A No, they had not.

21 Q I want to turn your attention to exhibit -- Plan
22 Administrator Exhibit Number 13.

23 (Pause)

24 A Okay.

25 Q Okay. On page three of this document, which is an

1 email chain, I want to refer you to your email to Compute
2 North representatives on December 28th at 11:14 p.m. where
3 it begins, Brenna, Scott will continue; do you see that?

4 A Yes, I do.

5 Q And is this consistent with your recollection that none
6 of the miners from the 600-unit order had been delivered as
7 of late December, 2021?

8 A Yes, that is my understanding.

9 Q And is it also your understanding that of those 600
10 units, 300 were to be delivered to the Merchant group and
11 300 to Compute North; is that right?

12 A Yes, that is accurate.

13 Q And the 300 units to the Merchant group, that's what we
14 were just discussing; is that right?

15 A Yes, it is.

16 MR. BROWN: I'd like to offer Exhibit 13 into
17 evidence.

18 THE COURT: Any objection?

19 MR. LEYH: No.

20 THE COURT: It's admitted.

21 (Plan Administrator Exhibit Number 13 was received in
22 evidence.)

23 BY MR. BROWN:

24 Q Now, Mr. Allard, going into 2022, is it true that the
25 manufacturer still had not delivered any of the miners under

1 the 600-unit order?

2 A To my recollection I believe there was a small number
3 of units delivered to Compute North. I do not recall what
4 the total order volume was.

5 Q Okay. So in 2022, we've already had the transition
6 where of those 600 units, the 300 that were for Bobs Limited
7 are no longer being delivered to Compute North; is that
8 right?

9 A Correct.

10 Q So to the extent that any of the 600 units were
11 delivered to Compute North, would those have been units for
12 Bobs Limited or units for another customer not related to
13 Bobs Limited?

14 A Those would have been unrelated to Bobs Limited.

15 Q So after the transition where now True North is going
16 to be providing hosting services and the units are going to
17 be going to True North's facility, who did you believe was
18 responsible for ensuring that the manufacturer delivered
19 those 300 units to True North?

20 MR. LEYH: Objection, calls for speculation.

21 THE COURT: Sustained.

22 BY MR. BROWN:

23 Q Mr. Allard, who was responsible for ensuring that the
24 manufacturer delivered the 300 units to True North after you
25 had arranged with Terra International for those 300 units to

1 be delivered to a True North facility directly?

2 MR. LEYH: Objection. I didn't understand the
3 question. I -- sorry.

4 THE COURT: Well, --

5 MR. BROWN: I --

6 THE COURT: -- I'm going to raise my own. Asking
7 for a legal conclusion, Mr. Brown.

8 MR. BROWN: Mr. Allard, --

9 THE WITNESS: Mr. Brown, would you like
10 (indiscernible) --

11 THE COURT: (Indiscernible) answering until we get
12 beyond that objection. Mr. Brown.

13 MR. BROWN: I'm going to ask a new question, Your
14 Honor.

15 THE COURT: Thank you.

16 BY MR. BROWN:

17 Q Mr. Allard, did you tell -- sorry, let me start over.
18 Did you tell Mr. Merchant that True North was responsible
19 for these 300 miners?

20 A I'm trying to think back through our hosting services
21 agreement. To my knowledge there was never a direct
22 conversation on who was responsible for delivery of the
23 equipment, with the exception that my underlying
24 responsibility as selling that equipment to Compute North,
25 there's certainly a responsibility there on behalf of True

1 North to deliver equipment. But I don't recall any
2 independent specific conversation about these 300 units
3 after the group decision to relocate them to an Alberta
4 facility.

5 Q Mr. Allard, could you turn your attention to Plan
6 Administrator Exhibit Number 20? And let me know once
7 you've had a chance to review that email.

8 (Pause)

9 A Yes, I've reviewed it.

10 Q All right. Does this email refresh your memory about
11 whether you told Mr. Merchant that True North would be
12 responsible for the 300 miners?

13 A Yes, it does.

14 Q Okay. And so after reviewing this email, what is your
15 answer? My question is, did you tell Mr. Merchant that True
16 North would accept responsibility for the 300 miners?

17 A Yes, we did.

18 MR. BROWN: Your Honor, I'd like to offer
19 Exhibit 20 in evidence.

20 THE COURT: Any objection?

21 MR. LEYH: No objection, Your Honor.

22 THE COURT: 20 is admitted.

23 (Plan Administrator Exhibit Number 20 was received in
24 evidence.)

25 BY MR. BROWN:

1 Q Mr. Allard, did Bobs -- or, excuse me, did True North
2 ever receive any of these 300 units from the manufacturer?

3 A No, it did not.

4 Q Could you explain to the Court your efforts on behalf
5 of True North to try to get these 300 units delivered by the
6 manufacturer?

7 MR. LEYH: Objection, leading, it's leading.

8 THE COURT: What's the relevance?

9 MR. BROWN: Okay. Well, Your Honor, only just to
10 show that -- try to highlight the reason for why these units
11 were never delivered, and specifically to highlight that it
12 was -- had nothing to do with Compute North actions or
13 inactions.

14 THE COURT: That's relevant so I'm going to allow
15 it. Go ahead. I'm going to also overrule the leading
16 objection.

17 You can answer, Mr. Allard.

18 THE WITNESS: Could you repeat the question,
19 please?

20 MR. BROWN: Sure.

21 BY MR. BROWN:

22 Q Mr. Allard, could you describe to the Court your
23 efforts on behalf of True North to obtain these 300 miners
24 that are now supposed to be delivered directly to your
25 Alberta, Canada location? What efforts did True North take

1 to get those miners delivered from the manufacturer?

2 MR. LEYH: Objection, Your Honor, relevance. We
3 didn't get them, True North didn't get them. What -- you
4 know, somebody tried to get them, great. What difference
5 does it make? They didn't show up?

6 THE COURT: Well, can you stipulate that from and
7 after January 12 of 2022 that the Debtor did not interfere
8 with the delivery in any way?

9 MR. LEYH: No, because I don't know that.

10 THE COURT: I'm just saying that's what he said
11 the relevance was. He wants to prove that the Debtor, who
12 is, again assuming the proof of claim got filed, did not
13 stop True North from taking over the delivery.

14 Let me just ask that. Mr. Allard, after January
15 12th of 2022, is there anything that the Debtor did, that
16 Compute North did, to interfere with the delivery by the
17 manufacturer to you or to the Merchant group?

18 THE WITNESS: Specifically to True North, no.
19 With respect to Bobs, I would be unaware of any efforts or
20 not there.

21 THE COURT: Mr. Brown, if you -- I do think it's
22 relevant although I think there's a limit to the relevance
23 and whatever the testimony is, it is what it is.

24 MR. BROWN: I understand, Your Honor. Let's see.
25 Just a couple more questions.

1 THE COURT: Again, to sort of wear my concerns on
2 my sleeve here, I don't know (indiscernible) let's assume
3 that Mr. Merchant -- and now I'm going to change the
4 assumption. I'm going to assume (indiscernible) was
5 representing Bobs at this stage.

6 I don't know whether this absolves the Debtor from
7 its duty anyway. It may have. But I don't know from a law
8 point of view what this does to Compute North's duties. And
9 that's certainly not a question for Mr. Allard. But his
10 company said they would do it. That may not relieve your
11 company of liability. And I (indiscernible) get to that
12 answer very easily, just to tell you (indiscernible) --

13 MR. BROWN: Well, I think --

14 THE COURT: -- are right now.

15 MR. BROWN: I understand, Your Honor. And that is
16 one of the heart -- if there's more than one heart, that's
17 certainly one of the hearts to this matter. I agree it's a
18 legal issue.

19 To the extent that, you know, what I want to show
20 Your Honor is that True North was working toward trying to
21 obtain these miners from the manufacturer. And that I then
22 want to show that Mr. Merchant got involved to some extent
23 in those efforts just to show, you know, that neither of
24 them was involving Compute North in the process at this
25 point or going forward.

1 THE COURT: Yeah.

2 BY MR. BROWN:

3 Q So, Mr. Allard, just generally can you explain did you
4 keep on the manufacturer to try to get these miners --
5 basically what were you doing to try to get these miners?

6 A So from the logistical perspective of delivering the
7 miners which Bobs had purchased from Compute North, True
8 North on behalf of all of its clients who purchased miners,
9 such as Compute North, were unilateral and un-agnostic
10 (phonetic) to specific clients.

11 We exhausted all of our personal relationships with
12 executives and decision makers within Minerva and
13 affiliates. We regularly communicated with attempted voice
14 calls, text messages, emails.

15 When that tactic proved to be unfruitful, we got
16 engaged with legal counsel who issued demand letters,
17 eventually statements of claim, against Minerva and its
18 affiliates for all of the undelivered equipment for which
19 True North had obligations to its clients for.

20 Q Thank you. Could you keep Compute North updated on
21 your efforts in 2022 and beyond to procure these units from
22 the manufacturer?

23 A There were no inquiries from Compute North for updates.
24 I do believe at some point those communications would have
25 slowed down given Compute North's issues which you folks are

1 discussing.

2 Q Are you referring to the bankruptcy filing?

3 A Yes, I am.

4 Q Okay. What about Mr. Merchant; did you keep
5 Mr. Merchant updated in your efforts to procure this
6 equipment from the manufacturer?

7 MR. LEYH: Objection, Your Honor, relevance.
8 We've gone way beyond the contract that my client had with
9 Compute North. The contract's not assignable, except with
10 prior written consent. There is none. Now we're off in the
11 weeds about what did Mr. Allard do in regard to trying to
12 get the manufacturers to move. And so what? We don't have
13 a contract with either one of them. Enough.

14 MR. BROWN: Your Honor, --

15 THE COURT: I'm going to allow us to go there.
16 But I got to tell you, I feel very misled by what's happened
17 in this case, Mr. Brown. The Declaration that got filed as
18 part of the objection appears palpably false. Why am I
19 getting that? How'd I get that Declaration?

20 MR. LEYH: You got that, --

21 MR. BROWN: I'm --

22 MR. LEYH: -- Your Honor, because I filed an
23 objection to it and said it's false.

24 THE COURT: No, I previously barred Mr. Mersch
25 from filing Declarations until he got his act together. And

1 now I get a Declaration that says something that the
2 evidence appears to me he was just not being truthful. What
3 is going on that I'm getting these kind of things? I am --
4 have you read his Declaration?

5 MR. LEYH: Your Honor, I may have misspoke. His
6 Declaration was attached to the claim objection. It's not
7 something --

8 THE COURT: That's right.

9 MR. LEYH: -- (indiscernible) filed last week.

10 THE COURT: No, I know that. It's attached to the
11 claim objection. And it doesn't appear to be accurate.

12 MR. LEYH: That's what my objection to his
13 Declaration says, it's false.

14 THE COURT: Under penalty of perjury. He's done
15 this to you before. Why am I getting this again?

16 MR. BROWN: Your Honor, if I can respond, we are
17 not relying in any capacity on that Declaration. We are
18 relying on the evidence that I'm putting before the Court --

19 THE COURT: You filed it as part of your
20 objection.

21 MR. BROWN: Your Honor, if I may --

22 THE COURT: Tribolet has not modified an objection
23 to this (indiscernible) and attached false Declaration, and
24 I want to know why.

25 MR. BROWN: Your Honor, I apologize. The Debtors

1 had filed the objection before Mr. Tribolet was appointed as
2 Plan Administrator.

3 THE COURT: (Indiscernible) adopting the objection
4 and living with it and he hasn't changed it.

5 MR. BROWN: Your Honor, I apologize. I can only
6 tell the Court that we are not relying on that Declaration.
7 We're relying on the evidence --

8 THE COURT: I don't care if you're relying
9 (indiscernible), you're relying on the objection. And the
10 objection attaches the Declaration. And you didn't file an
11 amended objection.

12 And I'm sitting here learning all this information
13 for the first time today because I had a Declaration that
14 was palpably false. And you didn't get it fixed. How long
15 is it going to take you to file an amended objection that
16 you're willing to stand on your objection?

17 And I want to know what this fight's about before
18 I'm just having all this evidence unfold before me having
19 nothing to do with really what's in the objection. I get
20 totally surprised today. And it's not the way that we
21 should be conducting business. How long do you want to get
22 that amended?

23 MR. BROWN: I apologize, Your Honor. I would be
24 more than happy to file an amended Declaration. We can do
25 it very quickly or very --

1 THE COURT: I don't want an amended Declaration.
2 I want an objection filed by Mr. Tribolet that he's willing
3 to live with that amends the prior objection. He has to
4 live with everything in it because he adopted this one by
5 proceeding today. And I am not happy.

6 MR. SPEAKER: Oh, God.

7 (Mr. Leyh/Mr. Speaker confer.)

8 THE COURT: Can you get an amended one filed in
9 two weeks?

10 MR. BROWN: Your Honor, --

11 THE COURT: (Indiscernible).

12 MR. BROWN: -- we can get one filed in one week.

13 THE COURT: Okay. Not later than one week from
14 today I'm going to get an amended objection.

15 Mr. Leyh, I'm going to give you another week to
16 respond to the amended objection.

17 I need to know what the fight's about before I
18 start going any further into the evidentiary record. At
19 every turn I get -- I learn something new. And that ought
20 to be in the pleadings, not where we are today. I'll review
21 all this on the 25th, take a look at where we are.

22 Can you respond in a week if they amend in a week,
23 Mr. Leyh?

24 MR. LEYH: Yes, I can, Your Honor. Might I
25 address something --

1 THE COURT: Go ahead.

2 MR. LEYH: Matthew Merchant is here today. He is
3 here today because we thought we had an in-person hearing.
4 We don't now. And he came from Europe. And rather than
5 come from Europe again in a couple of weeks, would it be all
6 right if he appeared virtually next time?

7 THE COURT: Yes, sir, that would be fine.

8 MR. LEYH: Okay. And so one week for --

9 THE COURT: The 18th I'm going to get an amended
10 objection, 25th an amended answer. We'll review everything
11 on the 26th and we'll set you for a further hearing.

12 Thank you all.

13 MR. LEYH: The 26th will be like a status
14 conference and we'll get set.

15 THE COURT: No. I'll just review it in chambers
16 on the 26th. I'll review it in chambers on the 26th and
17 then we'll get you a new setting shortly after that.

18 And, yes, he can attend by video.

19 MR. LEYH: Thank you.

20 THE COURT: Thank you.

21 MR. BROWN: Thank you.

22 THE COURT: Thank you, Mr. Brown, thank you,
23 Mr. Leyh.

24 Mr. Allard, thank you, sir.

25 THE WITNESS: Thank you, Your Honor.

1 (Proceeding adjourned at 3:01 p.m.)

2 * * * * *

3 I certify that the foregoing is a correct
4 transcript to the best of my ability due to the condition of
5 the electronic sound recording of the ZOOM/video/telephonic
6 proceedings in the above-entitled matter.

7 /S/ MARY D. HENRY

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